ADMINISTRATIVE TRIBUNALS SUPPORT SERVICE OF CANADA
Quarterly Financial Report
For the quarter ended December 31, 2017

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

1. Introduction

This quarterly financial report has been prepared as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This report should be read in conjunction with the 2017-18 Main Estimates and Supplementary Estimates (A & B). This quarterly report has not been subject to an external audit or review.

The Administrative Tribunals Support Service of Canada (ATSSC) is responsible for providing support services and facilities to 11 federal administrative tribunals by way of a single, integrated organization.

These services include the specialized services required by each tribunal (e.g. registry, research and analysis, legal and other mandate or case activities specific to each tribunal), as well as internal services (e.g., human resources, financial services, information management and technology, accommodations, security, planning and communications).

Further information on the mandate, roles, responsibilities and programs of the ATSSC can be found by accessing the 2017-18 Main Estimates.

1.1. Basis of Presentation

This quarterly report has been prepared using an expenditure basis of accounting. The accompanying Statement of Authorities includes the ATSSC's spending authorities granted by Parliament and those used by the ATSSC, consistent with the Main Estimates and the Supplementary Estimates for the 2017-18 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

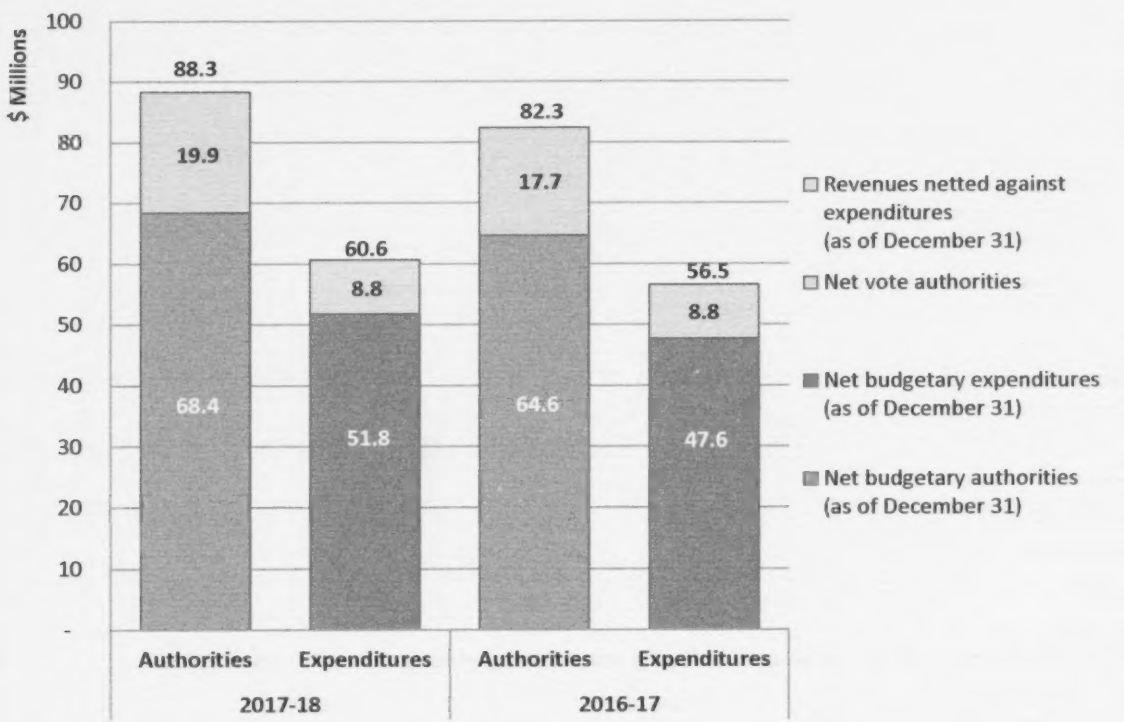
The ATSSC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

2. Highlights of Fiscal Quarter and Fiscal Year to Date (YTD) Results

The ATSSC's financial structure is mainly composed of voted budgetary authorities namely, Vote 1—Program expenditures and vote-netted revenue authority, as well as statutory authorities for contributions to employee benefit plans.

For the period ending December 31, 2017, the ATSSC had total authorities of $88.3 million, including budgetary authorities of $68.4 million and vote-netted revenue (VNR) of $19.9 million. Budgetary authorities include an amount of $61 million from the Main Estimates, $2.9 million from the Supplementary Estimates (A), $0.4 million from the Supplementary Estimates (B) and $4.2 million from the Treasury Board Central Votes ($3.3 million Operating Budget Carry Forward and $0.9 million for compensation). The VNR gives the ATSSC authority to make recoverable expenditures on behalf of the Canada Pension Plan and the Employment Insurance Operating Account. Presented in Graph 1 below are the gross and net budgetary authorities and expenditures for the third quarter of 2017-18. For more details, refer to the Statement of Authorities.

Graph 1: Comparison of budgetary authorities and expenditures for the third quarter ended December 31, 2017, and December 31, 2016.



The ATSSC expended $60.6 million (69% of total authorities) in the first three quarters of 2017-18. Of this total, $8.8 million was offset by revenues for a total of $51.8 million in net budgetary expenditures.

The majority of expenditures relate to personnel, which totaled $51.1 million (84% of gross expenditures). The remaining 16% primarily comprises professional and special services (mainly informatics services, translation costs and consulting services) and transportation and communications (mainly travel costs).

2.1. Significant Changes to Authorities

(Please refer to the Statement of Authorities table presented in Section 5)

As of December 31, 2017, the total budgetary authorities available for use for the year increased from $64.6 million in 2016-17 to $68.4 million in 2017-18 due to the following:

- a reprofiling from 2015-16 funds over and above the operating budget carry-forward for office space consolidation and modernization;
- a transfer from the Royal Canadian Mounted Police (RCMP) to support the implementation of a new labour relations regime within the RCMP;
- compensation allocations for collective bargaining increases; and
- a reduction of the ATSSC's statutory authority related to Employee Benefit Plans.

2.2. Significant Changes to Revenues Collected

(Please refer to the Statement of Authorities table presented in Section 5)

The $8.8 million of revenues collected by the third quarter ending December 31, 2017 equal the revenues collected by the third quarter in 2016-17.

2.3. Significant Changes to Expenditures

(Please refer to the Departmental Budgetary Expenditures by Standard Object table presented in Section 6)

Year-to-Date Expenditures

The year-to-date gross budgetary expenditures increased from $56.5 million in 2016-17 to $60.6 million in 2017-18 due to the following:

- an increase of $3.4 million in personnel due to retroactive payments resulting from the signing of collective agreements and staffing increases; and
- an increase of $0.7 million relating to professional and special services mostly for the onboarding of legacy networks to that of the ATSSC.

Expenditures for the Quarter

Third quarter gross budgetary expenditures increased from $19.9 million in 2016-17 to $21.8 million in 2017-18 mainly due to an increase of $1.6 million in personnel due to retroactive payments resulting from the signing of collective agreements and staffing increases.

3. Risks and Uncertainties

The ATSSC has identified two key risks and responses for 2017-18.

There is a risk to the ATSSC's ability to provide the additional services needed as a result of unexpected caseload surges and/or workload increases. Emerging trends, priorities, needs and legislative changes are being monitored to ensure adequate resources. In addition the ATSSC is building into the budget planning and allocation processes the flexibility to re-allocate resources if and when required.

There is also a risk that the ATSSC may not be able to maintain an appropriate delivery capacity to meet the mandates and the evolving needs and priorities of the tribunals it serves. The ATSSC has begun the process of analyzing its workforce to inform different strategies relating to talent management, retention and recruitment and ensure adequate succession planning. As well as enhance organizational capacity by developing and implementing a Human Resources corporate planning and reporting function.

4. Significant Changes in Relation to Operations, Personnel and Programs

There has been no significant change to the programs or structure since the ATSSC was established on November 1, 2014.

Approval by Senior Officials

Approved by:

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Marie-France Pelletier, Chief Administrator
Ottawa, Canada
February 19, 2018

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Luc Robitaille, Director General and Chief Financial Officer
Corporate Services

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5. Statement of Authorities (unaudited)

(in dollars)

	Fiscal year 2017-18			Fiscal year 2016-17		
	Total available for use for the year ending March 31, 2018 *	Used during the quarter ended December 31, 2017	Year to date used at quarter end	Total available for use for the year ending March 31, 2017 *	Used during the quarter ended December 31, 2016	Year to date used at quarter-end
Vote 1— Program expenditures	79,644,966	19,748,017	54,355,925	72,923,445	16,852,599	48,857,045
Less: Revenues netted against expenditures	(19,910,984)	(4,422,650)	(8,845,300)	(17,690,600)	(4,422,650)	(8,845,300)
Net Program expenditures	**59,733,982**	**15,325,367**	**45,510,625**	**55,232,845**	**12,429,949**	**40,011,745**
Budgetary statutory authorities	8,657,629	2,097,806	6,293,418	9,413,110	3,048,392	7,620,978
Total Budgetary authorities	**68,391,611**	**17,423,173**	**51,804,043**	**64,645,955**	**15,478,341**	**47,632,723**

** Includes only Authorities available for use and granted by Parliament at quarter-end.*

6. Departmental Budgetary Expenditures by Standard Object (unaudited)

(in dollars)

	Fiscal year 2017-18			Fiscal year 2016-17		
	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended December 31, 2017	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended December 31, 2016	Year to date used at quarter-end
Expenditures:						
Personnel	66,112,203	17,770,316	51,113,371	64,200,078	16,167,300	47,702,175
Transportation and communications	5,127,692	896,379	2,202,912	3,735,799	750,584	1,880,455
Information	1,009,652	91,861	521,774	624,823	148,658	413,228
Professional and special services	10,917,063	1,762,684	4,152,271	8,825,183	1,030,050	3,206,011
Rentals	2,540,894	107,367	883,953	2,094,126	267,297	824,114
Repair and maintenance	358,008	192,260	260,770	579,380	83,565	113,700
Utilities, materials and supplies	1,065,433	320,097	629,337	529,340	201,218	409,587
Acquisition of machinery and equipment	795,165	719,331	835,549	1,747,826	605,463	824,999
Other subsidies and payments	376,485	(14,472)	49,408	-	646,854	1,103,754
Total gross budgetary expenditures	**88,302,595**	**21,845,823**	**60,649,343**	**82,336,555**	**19,900,989**	**56,478,023**
Less Revenues netted against expenditures:						
Revenues	(19,910,984)	(4,422,650)	(8,845,300)	(17,690,600)	(4,422,650)	(8,845,300)
Total Revenues netted against expenditures:	**(19,910,984)**	**(4,422,650)**	**(8,845,300)**	**(17,690,600)**	**(4,422,650)**	**(8,845,300)**
Total net budgetary expenditures	**68,391,611**	**17,423,173**	**51,804,043**	**64,645,955**	**15,478,339**	**47,632,723**